

Message Text

LIMITED OFFICIAL USE

PAGE 01 MTN GE 00120 111230Z

ACTION STR-04

INFO OCT-01 IO-13 ISO-00 STRE-00 SSO-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 PRS-01 SP-02 FEAE-00

OMB-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 USIE-00

NSCE-00 INRE-00 /124 W

-----111237Z 004005 /22

O 111133Z JAN 77

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 2165

LIMITED OFFICIAL USE MTN GENEVA 0120

STR ACTION - ELECTRICALLY

S/S-O NOTIFY DON KELLY (395-6131)

FOR ALAN WOLFF AND WILLIAM KELLY

E.O. 11652: NA

TAGS: ETRD MTN

SUBJ: U.S. POSITION FOR GROUP NON-TARIFF MEASURES JAN. 13

REFS: (A) TPSC 76-76, (B) EC BRUSSELS 11898, (C) TOKYO 18030

1. SUMMARY. MTN DEL RECOMMENDS AMENDMENT OF U.S. POSITION FOR NTM PARENT GROUP MEETING JAN 13 WITH REGARD TO PROPOSED STATEMENT ON TAX PRACTICES. END SUMMARY.

2. NTM PARENT GROUP MEETING JAN 13 WILL BE DEVOTED ESSENTIALLY TO PROCEDURAL QUESTIONS, ALL ADEQUATELY COVERED BY TPSC 76-76. WHILE U.S. AND OTHERS OF COURSE HAVE THE RIGHT TO RAISE ADDITIONAL MATTERS UNDER "OTHER BUSINESS," MTN DEL HAS SERIOUS RESERVATIONS ABOUT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 00120 111230Z

ADVISABILITY OF U.S. STATEMENT ON TAX PRACTICES PER PARA 4 AND PAGES 5-6 OF TPSC 76-76 FOR FOLLOWING REASONS:

(A) PARA 4(B) QUITE PROPERLY CALLS FOR PRIOR CONSULTATION WITH EC AND OTHERS TO ELICIT THEIR SUPPORT; THIS WAS DONE IN EARLY DECEMBER BY U.S. TEAM HEADED BY

WOLFF BUT THE EFFORT UNFORTUNATELY LED TO "ABSOLUTE REJECTION" BY EC OF A PLAN INVOLVING INTER-ALIA A PROPOSED AGREEMENT THAT TAX PRACTICES AFFECTING TRADE WERE APPROPRIATE FOR NEGOTIATION IN MTN (REFTEL B). JAPAN WAS ALSO UNRECEPTIVE (REF C).

(B) PROPOSED STATEMENT FOR NTM PARENT GROUP IS LIKELY IN OUR VIEW TO PROVOKE EC TO STATE ITS OPPOSITION TO IDEA OF RENEGOTIATING IN MTN GATT RULES ON DIRECT AND INDIRECT TAXES; IT SEEMS UNWISE TO MTN DEL TO RISK HAVING EC GO ON RECORD IN THIS VEIN WHEN, AS OUR OWN PROPOSED STATEMENT SAYS, WE HAVE NO PROPOSAL TO PUT FORWARD AT THIS TIME AS TO HOW OR WHERE OR WHEN WE THINK THE MATTER SHOULD BE ADDRESSED.

(C) SPECIFIC REFERENCE IN U.S. STATEMENT TO DISC AND RELATED TAX PANEL FINDINGS WILL BE INTERPRETED BY OTHERS AS AN ATTEMPT TO TRANSFER THIS CONTROVERSY TO MTN NEGOTIATING FORUM; SOME DELEGATIONS MAY WANT TO GO ON RECORD AGAINST THIS IDEA RIGHT AWAY, HOPING THERE BY TO ENCOURAGE INCOMING CARTER ADMINISTRATION TO ABOLISH DISC UNILATERALLY.

3. U.S. HAS BEEN ON RECORD SINCE NOV 1975 MEETING OF SUBGROUP ON SUBSIDIES/CVD THAT THE EFFECT ON INTERNATIONAL TRADE OF BORDER TAX ADJUSTMENTS NEEDS TO BE ADDRESSED EITHER IN SUBSIDIES/CVD CODE OR ELSEWHERE IN MTN (75 MTN GENEVA 8588) AND LATEST U.S. WRITTEN SUBMISSION TO SUBSIDIES/CVD GROUP (MTN/NTM/43/ADD 6 MAY 31, 1976)
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 00120 111230Z

REITERATES U.S. VIEW THAT NEW RULES ON SUBSIDIES/CVD MUST CONTAIN PROVISIONS THAT DEAL WITH THE IMPACT OF VARYING TAX PRACTICES ON INTERNATIONAL TRADE. THUS THE U.S. POSITION IS PLAIN AND OUR RECORD IS PRESERVED. NO NEGOTIATING PURPOSE IS SERVED BY YET ANOTHER STATEMENT AND, AS POINTED OUT ABOVE, A STATEMENT CARRIES SOME RISK. THERE IS NO COMPELLING NEED TO SAY ANYTHING ABOUT TAX PRACTICES DURING TOMORROW'S NTM PARENT GROUP MEETING AND MTN DEL THEREFORE STRONGLY RECOMMENDS THAT WE NOT RAISE THE SUBJECT. WALKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, TRADE LAW, TAXES, TAX AGREEMENTS, IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MTNGE00120
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770010-0222
Format: TEL
From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770163/aaaacdbk.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c5162fdb-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 EC BRUSSELS 11898, 77 TOKYO 18030
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3625816
Secure: OPEN
Status: NATIVE
Subject: U.S. POSITION FOR GROUP NON-TARIFF MEASURES JAN. 13
TAGS: ETRD, US, MTN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c5162fdb-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009